

State of South Dakota

EIGHTIETH SESSION LEGISLATIVE ASSEMBLY, 2005

517L0418

HOUSE BILL NO. 1090

Introduced by: Representatives Cutler, Elliott, Sebert, and Vehle and Senators McCracken, Broderick, and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to allow debt cancellation contract and debt suspension
2 contract fees to be included in consumer installment sales contracts.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 54-3A-5 be amended to read as follows:

5 54-3A-5. In addition to the finance charge, a creditor may contract for, and receive the
6 following additional charges in connection with an installment sales contract if such charges are
7 itemized and disclosed to the buyer:

8 (1) Official fees and taxes; ~~and~~

9 (2) Charges for credit life, accident, health, loss of income, property, or liability
10 insurance; ~~provided, that. However~~ any insurance ~~shall be~~ is optional, and the
11 consumer ~~must~~ shall be informed that any insurance is optional; and

12 (3) Charges for debt cancellation contracts and debt suspension contracts, as defined in
13 § 51A-1-2, if the debt cancellation contract or debt suspension contract is a contract
14 of a depository institution authorized to provide such coverage, and the contract is
15 sold directly by the authorized depository institution or by a retailer acting as an agent



1 for the authorized depository institution. However, any debt cancellation contract or
2 debt suspension contract is optional, and the consumer shall be informed that any
3 such contract is optional.

4 Any such charges must be disclosed and explained to the consumer prior to signing any
5 agreement to repay a consumer credit obligation. Any such charges must be separately agreed
6 to in writing and separately signed by the consumer.